



The State of Utah

Department of
Natural ResourcesDivision of
Oil, Gas & MiningROBERT L. MORGAN
*Executive Director*LOWELL P. BRAXTON
*Division Director*OLENE S. WALKER
*Governor*GAYLE F. McKEACHNIE
Lieutenant Governor

Representatives Present During the Inspection:

Company Mike W. Glasson Environmental Coordinator

OGM Karl Houskeeper Environmental Scientist III

Inspection Report

Permit Number:	C0070019
Inspection Type:	COMPLETE
Inspection Date:	Thursday, June 10, 2004
Start Date/Time:	06/10/2004 8:00:00 AM
End Date/Time:	06/10/2004 1:00:00 PM
Last Inspection:	Tuesday, May 25, 2004

Inspector: Karl Houskeeper, Environmental Scientist IIIWeather: Overcast/Scattered Showers. ~Temp 68 Deg FInspectionID Report Number: 296Accepted by: pgrubaug
06/22/2004Permittee: **ANDALEX RESOURCES INC TOWER DIVISION**Operator: **ANDALEX RESOURCES INC TOWER DIVISION**Site: **CENTENNIAL MINE**Address: **PO BOX 902, PRICE UT 84501**County: **CARBON**Permit Type: **PERMANENT COAL PROGRAM**Permit Status: **INACTIVE**

Current Acreages

6,602.02	Total Permitted
35.27	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☒ Federal
☒ State
☐ County
☒ Fee
☐ Other

Types of Operations

- ☒ Underground
☐ Surface
☐ Loadout
☐ Processing
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

There are no pending compliance actions. The only permit condition currently in place is that the permittee must submit all water monitoring data in an electronic format to the Division's web site. The permittee is complying with this stipulation.

The midterm site visit was conducted in conjunction with this complete inspection. Attendees included: Mike Glasson (Andalex), Karl R. Houskeeper (DOGM), Joe Helfrich (DOGM), Gregg Galecki (DOGM). Items listed in the midterm letter from the Division were discussed and evaluated during the meeting and site visit.

The Division received an application for a Permit Area Expansion. The application is for the remaining Mathis Tract area (Approximately 400 acres) and for the Federal Summit Creek Lease (Approximately 702.53 acres). The proposed addition is for additional permit area to allow underground mining. This action was withdrawn by the operator and an IBC submitted for the Mathis Tract (20.0 acres) and in the Federal Summit Creek Lease Area (72.32 acres). The proposed change is for 92.32 acres or 1.705% of the Centennial Project Permit Area.

Inspector's Signature

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

Date

Thursday, June 10, 2004

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
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Inspection Continuation Sheet

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REVIEW OF PERMIT PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The current DOGM permit was re-issued effective 05/24/2002, to include the Mathis Tract, and expires 01/06/2007.

- Certificate of Insurance issued 07/01/2003 and terminates 07/01/2004.
- Reclamation agreement dated and signed February 1990 (amended January 2001).
- UPDES permit UTG040008 effective 05/01/2003 and expires midnight 04/30/2008.
- Air Quality permit DAQE-997-96, issued October 25, 1996.
- SPCC Plan dated 08/29/2003.

2. Signs and Markers

The mine permit ID sign located at the contact point of the public access to the permit area contained the required information. Other signs and markers observed during the inspection met the coal rules.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The annual sediment pond inspections was done on 10/23/2003. The first quarter inspection was done on 3/26/2004. The annual inspections were conducted and certified by a P.E. The sediment capacity information from this inspection is as follows:

- Sediment Basin B, 0.119 acre feet remaining.
- Sediment Pond C, 0.225 acre feet remaining.
- Sediment Pond E, 1.435 acre feet remaining.

4.d Hydrologic Balance: Water Monitoring

First quarter 2004 water monitoring information is in the EDI website and uploaded. Water monitoring is performed by a contractor and is current.

4.e Hydrologic Balance: Effluent Limitations

The discharge monitoring reports for May 2004 showed that 001, 002, 003, and 004 outfalls did not discharge.

14. Subsidence Control

Reviewed a letter from Bruce Ware, RLS. Mr. Ware stated in his letter dated October 19, 2003 that no horizontal or vertical movement has occurred at the listed sites in his report since they were established. Mr. Ware signed dated and certified this report with his RLS stamp.

19. AVS Check

An AVS Check was done by the Division on May 10, 2004. No violations were retrieved by the system. Legal information from the AVS check was compared to the MRP and the information correlated with the approved MRP.

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20. Air Quality Permit

The air quality permit DAQE-997-96 referenced above remains in effect.

21. Bonding and Insurance

The insurance referenced in item #1 above is through Federal Insurance Company, policy #37102594. The insurance has explosion coverage, meets the minimum coverage requirements, lists the Division as the certificate holder, and has the proper language on the notification policy.

Bond No. SU34593 is for \$381,839 and Bond No. SU1354086 is for \$699,000. Both bonds remain in effect for the term of the permit and are through Utica Mutual Insurance Company.